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FRAGMENT OF AN UNPUBLISHED MANUSCRIPT
BY JOHN RAE (1796-1872).

INTRODUCTORY NOTE.

During the last twenty years of his life Rae lived in the Hawaiian Islands. A student always, in these years he became especially interested in a philological-sociological study of the people of the Islands. Some of the results of his investigations were published in one of the Hawaiian newspapers, and excerpts from these articles were sent by a prominent English resident to John Stuart Mill. This drew a letter from Mill (who was much interested) to the sender, a copy of which was forwarded to Rae. The date of Mill's letter was February 3, 1863.

Also at about this time, apparently, Rae was informed by a friend in England that Mill had written him directly. This letter, however, Rae never received. Moreover, he heard in some way that Mill had adopted in his *Principles of Political Economy* the whole (as he was given to understand) of his own theory of capital, and that he had also taken him to task for the severity of his criticism of Adam Smith.

Accordingly, Rae wrote Mill at length in regard to his present undertaking; and, his old interest in political economy being aroused, he touched upon that subject also. That is, the manuscript (undated), here made use of, is in the form of a letter addressed to Mill. Whether a copy was ever sent to Mill is not known. This draft of a letter exists in several versions, and comprises all that has been found among Rae's effects on economics. The only subject worked out at any length is the Malthusian Doctrine of Population, which will appear in the forthcoming number of the *Economic Journal*. Besides this there is material for a sketch of Rae's life, which is to be utilized in an introduction to a reprint of his *Principles*, which the present writer hopes to bring out within a year.

C. W. MIXTER.

You have done me the honor of adopting my views with regard to the laws regulating capital. Would you have the kindness to inform me how your exposition was received, and what is the condition of political economy in England just now, with regard especially to that part of the subject? Also in France and the Continent in general. Have the Germans entered on the theme? In my opinion they have more real mind than either France or England; and I am curious to know how they handle this matter, if they have at all entered on it.

Were I visiting in England, what chance would there be of my making an impression by publishing there a new edition of my *Principles*, or by breaking the book up, and giving it a more practical form? Suppose I were to put forth my views on capital, on money, currency and banking, on rent, on the wages of labor, and, perhaps, on population, each in short works,—stating only obvious facts, and venturing on no excursive reasoning,—what chance of success do you think I would have?

I do not know that I differ very much from Malthus on the population question; and it is a very delicate one to handle, in so much so that, were everything else favorable, I might give it the go-by. Still, I think he scarcely states it fairly. . . . I do not think that Ricardo's theory of rent is sound. Things that measure each other do not, therefore, necessarily stand with relation of cause and effect: else in Kepler's theorem the equal times would be the cause of the equal spaces or conversely, whereas they are both concomitant results of gravity and motion. In the same way, increased rent and the cultivation of inferior land are both concomitant results of certain causes. I also think that the question of the wages of labor has been dogmatized and placed on wrong grounds by a sort of jargon derived from superficial views on the nature of capital.

I was careful to say nothing on these heads in my book, because I did not wish needlessly to blazon the full extent of my heterodoxy; but I believe it was a sense of the real social wrongs and, consequently, evils that have arisen from a contracted view of this question that gave me that animus against Adam Smith which you, perhaps justly, condemn me for showing in my speculations. But in reality he is a sophist. Perhaps the greatest of them, I trust the last of them. The art with which he covers this makes his greatness. He is a sophist in the same way in his *Moral Sentiments*, which, followed out, sap the foundations of morality. And read his principles of philosophy in his minor works. They are the very opposite of the inductive philosophy of Bacon. I forget whether I brought this forward in my book. I have not looked at it for many years, and have no copy of it. How-

ever, I despair of getting the world to go with me in any such view. The British mind has, in my opinion, been contracting and narrowing itself for years, so that it cannot grasp great questions.

I ought to state that I have read very little on the subject of Political Economy since writing my book, and that little chiefly on monetary questions. I think that the whole subject of banking is capable of being treated in so demonstrative and accurate a manner that there would subsequently be no room for hasty and unsound generalizations and random schemes. I have taken measures to procure a copy of your book, which will probably reach me within the year, and give me a correct idea of the present state of the science.